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FOR IMMEDIATE RELEASE:

**FAIRMOUNT WOMAN SENTENCED TO 27 MONTHS
IMPRISONMENT FOR FRAUD**

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that BEVERLY KAY WIMMER, 50, of Fairmount, Indiana, was sentenced to 27 months imprisonment today by U.S. District Judge Sarah E. Barker following her guilty plea to financial institution fraud. This case was the result of an investigation by the Federal Bureau of Investigation.

From June 24, 2004, until January 31, 2005, WIMMER, in her capacity as President of Premier Transportation Service, Inc., transmitted fraudulent invoice information which caused the State Bank of Lizton to provide compensation related to these fraudulent and fictitious receivables.

Premier Transportation Service, Inc. utilized a program called Business Manager, which was provided by State Bank of Lizton, to provide additional cash flow for Premier Transportation Service, Inc., a struggling business. The Business Manager program allowed State Bank of Lizton to purchase receivables directly from Premier Transportation Service, Inc. as soon as they were invoiced by Premier Transportation Service, Inc. to customers. This provided instant cash to Premier Transportation Service, Inc. In return, State Bank of Lizton assumed some of the risk of non-payment on these invoices, as payments came directly back to State Bank of Lizton. From 1999 until June 2004, Farmer's Bank in Frankfort, Indiana, operated the Business Manager program for Premier Transportation Service, Inc., and in June 2004, sold the Premier Transportation Service, Inc. account to State Bank of Lizton.

The Business Manager program allows the financial institution to profit from its operation by charging a service charge for each invoice purchased from Premier Transportation Service, Inc. Premier Transportation Service, Inc. initially incurred a 2.85% service charge on each invoice submitted to State Bank of Lizton, but, after several "slow pays" and other account problems, the service charge grew to over 4%. State Bank of Lizton also withheld approximately 10% of the invoice amount, which was to be remitted to Premier Transportation Service, Inc. upon payment by the customer. This amount is known as Premier Transportation Service, Inc.'s "reserve account."

WIMMER defrauded the Business Manager program by submitting invoice information for Premier Transportation Service, Inc.'s largest customer, American Woodmark, to State Bank of Lizton for loads that did not exist. State Bank of Lizton purchased these receivables based on information provided by WIMMER indicating an order had been placed by American

Woodmark, when, according to American Woodmark's records, no load had been purchased. As a result of these fictitious receivables, State Bank of Lizton had thousands of invoices that were permanently outstanding.

From June 24, 2004, until January 31, 2005, Premier Transportation Service, Inc. submitted 8,676 American Woodmark invoices to State Bank of Lizton for purchase. Of these invoices, over 2,250 were fraudulent. This means that more than 1 of every 4 invoices submitted to State Bank of Lizton by WIMMER was fraudulent. The total amount of fictitious invoices paid was \$1,715,682. As a result of the "reserve account" and several other sanctions taken by State Bank of Lizton against Premier Transportation Service, Inc., the total loss to State Bank of Lizton from fraud was \$706,991.17.

According to Assistant United States Attorney James M. Warden, who prosecuted the case for the government, Judge Barker also imposed 3 years supervised release following WIMMER's release from imprisonment. WIMMER was ordered to make restitution in the amount of \$706,991.17.

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